does not regulate distributors. AMFI has devised a Code of Conduct for distributors to regulate their sales practices and distributors are required to follow the same.

Incentives to managers of banks

†1639. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of Government to give incentives to the Managers and Assistant Managers delivering better performance in the branches of the Public Sector Banks;

(b) if so, the details thereof; and

(c) by when a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) In terms of the managerial autonomy extended to the Public Sector Banks (PSBs) by the Government of India in February, 2005, the PSBs exhibiting good performance are now free to take decisions on the remuneration and compensation of officers and staff by granting them differential pay, linked to performance within the decided pay scales. Such benefits are intended as tangible recognition for a small proportion of personnel in each scale who are genuinely outstanding performers. The State Bank of India with the approval of its Board of Directors has since finalized a scheme for the grant of incentives to its Branch Managers and other senior officers.

Merger among local banks

1640. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state: /

(a) whether it is a fact that Reserve Bank of India favours merger among local banks;

(b) if so, whether RBI has identified certain local banks ideal for merger and consolidation rather than acquisition by foreign players;

(c) if so, the details thereof; and

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†Original notice of the question was received in Hindi.

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Reserve Bank of India has issued guidelines on merger and amalgamation between private sector banks and with NBFCs on 11th May, 2005. The guidelines are available on the website of RBI *i.e.* www.rbi.org.iri/notification. RBI has discretionary powers to approve the voluntary amalgamation of two banking companies. Amalgamations are normally decided by RBI on business considerations such as the need for increasing the market shares, synergies in the operations of businesses, acquisition of a business unit or segment, sound rationale for the amalgamation, the systemic benefits and the advantage accruing to the residual entity, etc.

(d) Does not arise.

White Paper on disinvestment

1641. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to publish a White Paper on disinvestment of Public Sector Undertakings;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The matter is under the consideration of the Government.

Private banks credit to agricultural sector

1642. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether any target for outflow of agricultural credit by private banks has been fixed;

(b) if so, the details thereof;

(c) whether any private bank has not met the target; and

(d) if so, the action taken in this regard?